

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

UNITED STATES OF AMERICA . 4:20-mj-01366-1  
VS. . HOUSTON, TEXAS  
LEE PRICE, III . AUGUST 27, 2020  
VS. . 3:22 P.M. to 3:31 P.M.

TRANSCRIPT of DETENTION/PRELIMINARY HEARING  
BEFORE THE HONORABLE SAM S. SHELDON  
UNITED STATES MAGISTRATE JUDGE

10 APPEARANCES: (All participants appearing by video/zoom

11 FOR THE GOVERNMENT: TIMOTHY ADAM DUREE  
12 U.S. Department of Justice  
13 Criminal Division  
Fraud Section  
14 1400 New York Ave NW  
Third Floor  
Washington, DC 20530

16 FOR THE DEFENDANT: JAMES M. KENNEDY  
17 Bires Schaffer DeBorde  
18 712 Main Street  
Suite 2400  
Houston, Texas 77002

20 OFFICIAL COURT REPORTER: KATHY L. METZGER  
21 U.S. Courthouse  
22 515 Rusk  
Room 8004  
Houston, Texas 77002  
713-250-5208

25 || Proceedings recorded by mechanical stenography, transcript produced by computer-aided transcription.

## 1 P R O C E E D I N G S

2 *THE COURT:* Good afternoon.3 *MR. DUREE:* Good afternoon, Judge.4 *MR. KENNEDY:* Good afternoon.5 *THE COURT:* We're all here. Let me call the case.6 United States of America versus Lee Price, III, 20-mj-1366. My  
7 name is Sam Sheldon. I'm the magistrate judge. I see  
8 Mr. Duree is here on behalf of the United States government and  
9 Mr. Kennedy is here on behalf of the defendant.

10 Mr. Price, you're muted.

11 Could Joe Corley unmute Mr. Price? There you go.

12 Can you hear me, Mr. Price?

13 *THE DEFENDANT:* Yes, Your Honor.14 *THE COURT:* Good afternoon, sir.15 *THE DEFENDANT:* Good afternoon.16 *THE COURT:* We're here -- first, normally we would  
17 conduct this hearing in person in a courtroom, but we're doing  
18 this by video this afternoon because of the pandemic. It's not  
19 safe for all of us to be in the courtroom together. We could  
20 continue this hearing until it is safe or we could go forward  
21 with this hearing my video. Do we have your permission to go  
22 forward with this hearing by video?23 *THE DEFENDANT:* Yes, Your Honor.24 *THE COURT:* Mr. Price, a bond has been -- your  
25 attorney and the United States agreed upon a bond. I issued

15 : 24 : 01 1 that bond. The order has been issued. Your co-surety has  
2 signed. The only thing remaining is for me to -- I'm going to  
3 go over the conditions and then my case manager, Shannon, is  
4 going to swear you to those conditions and then you're going to  
15 : 24 : 15 5 be released today from Joe Corley.

6 It's really important though that by noon  
7 tomorrow you go to the courthouse and that you sign -- you  
8 actually sign -- you're going to swear orally so we can get you  
9 released, but by noon tomorrow you'll go to the Federal  
15 : 24 : 30 10 Courthouse, the clerk's office. You'll sign your conditions.  
11 Before you leave the courthouse, you'll need to go to probation  
12 and they're going to fit you with a GPS monitor. So those are  
13 the two things I need you to do before noon tomorrow. Any  
14 issue with that?

15 : 24 : 45 15 *THE DEFENDANT:* No, Your Honor.

16 *THE COURT:* Okay. So I'm going to go over the  
17 conditions now and Shannon will swear you in. I'll ask you  
18 then if you understand the conditions, if you have any  
19 questions for me, and that you agree to follow these conditions  
15 : 24 : 59 20 and if you violate any of these conditions, that you understand  
21 that your bond can be revoked.

22 So these are the conditions of your bond. It's  
23 \$50,000 unsecured. You don't have to pay any money. Your  
24 grandmother is serving as a co-surety. Her name is Rudell  
15 : 25 : 17 25 Teresa Comeaux.

15 : 25 : 22 1 You must report to Pretrial Services on a regular  
2 basis. Tomorrow sometime you'll need to make contact with the  
3 pretrial officer that is supervising you.

4 You must maintain or actively seek employment.

15 : 25 : 35 5 Surrender U.S. passport or any foreign passport  
6 to the U.S. Pretrial Services agency. Obtain no passport.

7 Your travel is restricted to Harris County and  
8 the surrounding areas. Outside travel to be preapproved by  
9 U.S. probation. You're going to be living in Beaumont. So  
15 : 25 : 55 10 your travel is allowed in Beaumont, Jefferson County and all  
11 counties connected to Harris and Jefferson Counties.

12 You're to avoid all contact, directly or  
13 indirectly, with the person who is a victim or potential  
14 victim -- sorry, potential victim or potential witness or  
15 victim in the investigation or prosecution of this case. And  
16 that means don't have any contact with the codefendants or  
17 potential codefendants.

18 You must refrain from possessing a firearm,  
19 destructive device, or other dangerous weapons.

15 : 26 : 28 20 Refrain from any use of alcohol.

21 Refrain from use or unlawful possession of a  
22 narcotic drug or other controlled substances unless prescribed  
23 by a licensed medical practitioner.

24 You must submit to any testing required by  
15 : 26 : 43 25 Pretrial Services regarding whether you're using a prohibited

15 : 26 : 50 1 substance.

2 You must participate in a program of inpatient or  
3 outpatient substance abuse therapy and counseling, if the  
4 Pretrial Services office or supervising officer considers it  
15 : 27 : 03 5 advisable.

6 You must comply with all court obligations in  
7 Harris County. And you will incur the costs associated with  
8 any services related to drug testing, treatment, housing  
9 placement or any location monitoring based on your ability to  
15 : 27 : 18 10 pay.

11 You're going to be on home detention. That means  
12 that you're restricted to your residence at all times except  
13 for employment, education, religious services, medical,  
14 substance abuse or mental health treatment, attorney visits,  
15 court appearances, court-ordered obligations, or other  
16 activities preapproved by the Pretrial Services officer.

17 You must submit to the location monitoring  
18 indicated, abide by all the programs for monitoring. And this  
19 is the monitoring that's active global positioning satellite,  
15 : 27 : 52 20 GPS, monitoring, including hybrid, active/passive, GPS.

21 Immediately report contact with law enforcement  
22 to Pretrial Services.

23 And then there's attached agreed upon conditions  
24 that you've agreed to follow. I'm going to read those.

15 : 28 : 09 25 You're to reside with Rudell Comeaux, your

15 : 28 : 12 1 grandmother, in Beaumont, Texas.

2 No contact in person, by phone, text, Facebook  
3 messenger, through a third party, et cetera, with Rose Price,  
4 that's your mom; Clarence Comeaux; or Derronce Allen.

15 : 28 : 24 5 You may have contact with Raenette Jones only to  
6 discuss matters related to care or support of your child. You  
7 shall not discuss any issues related to the present case  
8 with Ms. Jones unless such communications happen in the  
9 presence of counsel for both parties. You may not contact  
15 : 28 : 39 10 Ms. Jones for any other purpose.

11 No contact with any witnesses or potential  
12 witnesses.

13 Do not engage in any financial transactions over  
14 \$300 without prior approval of the Court.

15 : 28 : 51 15 Do not open or apply for any new bank accounts  
16 without prior approval of the Court.

17 Do not open or apply for any new credit cards  
18 without prior approval of the Court.

19 Do not open or apply for any new lines of credit  
20 without prior approval of the Court.

21 Do not discuss any new DBAs, LLCs, or the like  
22 without prior approval of the Court.

23 As we already discussed, you'll be on house  
24 arrest, which is called home detention, and I already went over  
15 : 29 : 20 25 the terms of your home detention.

15 : 29 : 22 1                   And, again, your travel is allowed to Beaumont,  
2 Jefferson County, and all counties connecting to Harris and  
3 Jefferson Counties.

4                   Did I get all of that right, Mr. Duree?

15 : 29 : 34 5                   *MR. DUREE:* Yes, Your Honor.

6                   *THE COURT:* And Mr. Kennedy?

7                   *MR. KENNEDY:* That's correct, Judge. Yes, sir.

8                   *THE COURT:* And, Mr. Price, do you understand all of  
9 the conditions I just went over?

15 : 29 : 44 10                   *THE DEFENDANT:* Yes, Your Honor.

11                   *THE COURT:* And when you sign tomorrow, everything I  
12 just said to you, the long list, you're going to get those  
13 conditions in writing. Do you have any questions regarding  
14 these conditions?

15 : 29 : 53 15                   *THE DEFENDANT:* No, Your Honor.

16                   *THE COURT:* And do you agree to follow all these  
17 conditions?

18                   *THE DEFENDANT:* Yes, Your Honor.

19                   *THE COURT:* And do you understand that if you violate  
20 any of these conditions, your bond can be revoked?

21                   *THE DEFENDANT:* Yes, Your Honor.

22                   *THE COURT:* Okay. So, Shannon, now you'll let Joe  
23 Corley know to release him?

24                   *THE CASE MANAGER:* Yes, I'm going to send the  
25 paperwork after this hearing.

15 : 30 : 14 1            *THE COURT:* Okay. Do you have any questions for me,  
2 Mr. Price?

3            *THE DEFENDANT:* No, Your Honor. Thank you.

4            *THE COURT:* Anything else --

15 : 30 : 21 5            *THE CASE MANAGER:* I need to swear him in, Judge.

6            *THE COURT:* Oh, yeah.

7            *THE CASE MANAGER:* Can you raise your right hand, sir?

8            (*Defendant complies*)

15 : 30 : 27 9            *THE CASE MANAGER:* Do you acknowledge that you are  
10 bound to the United States an amount of \$50,000; that you will  
11 abide by the conditions of this bond and make all court  
12 appearances wherever so ordered; do you acknowledge these  
13 conditions and will you abide by them, so help you God?

14            *THE DEFENDANT:* Yes.

15 : 30 : 41 15            *THE COURT:* Shannon, anything else I need to cover?

16            *THE CASE MANAGER:* I think that's it.

17            *THE COURT:* Okay. Mr. Duree?

18            *MR. DUREE:* Nothing from the government, Judge.

19            *THE COURT:* All right. Anything else, Mr. Kennedy?

15 : 30 : 50 20            *MR. KENNEDY:* No, sir, Judge. Thank you for your  
21 time.

22            *THE COURT:* Okay. Okay. Good luck, Mr. Price. You  
23 should be released.

24            *THE MARSHAL:* Judge, this is the Marshal Service. I  
15 : 30 : 58 25 just want to make sure he is to be released before the ankle

1 | monitor and all that, released today?

2 | *THE COURT:* Yes.

4                   *THE COURT:* He knows the ankle monitor is going to be  
5 put on tomorrow before noon. He knows he needs to go to the  
6 courthouse, sign his paperwork, and then go to probation to get  
7 fitted for the monitor.

8                   *THE MARSHAL:* Okay. Thank you, Judge. We'll take  
9 care of it.

0 || *THE COURT:* Okay. Thank you. Okay.

1 || Good luck to you, sir.

2 ||| *THE DEFENDANT:* Thank you, Your Honor.

\* \* \*

15 I certify that the foregoing is a correct transcript from the  
16 record of proceedings in the above-entitled cause, to the best  
17 of my ability.

18

19 /s/ Kathy L. Metzger  
20 Kathy L. Metzger  
Official Court Reporter

3-16-2021